GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:1560
ANSWERED ON:14.03.2005
UNEMPLOYMENT ALLOWANCE TO EMPLOYEES OF ESIC
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether Employees State Insurance Corporation (ESIC) has announced unemployment allowance compensation for retrenched workers or for those whose factories have been shut down;

(b) if so, the details thereof;

(c) the estimated number of workers likely to be covered under this scheme; and

(d) the total expenditure likely to be incurred by ESIC on this account?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

(a) & (b): A scheme to provide unemployment allowance in cash equivalent to about 50% of wages for a maximum period of six months to insured persons having 5 or more years of insurable employment, in the event of their losing job involuntarily due to closure of factories/establishments, retrenchment or permanent invalidity, has been approved for implementation by the Corporation under the provisions of the ESI Act, 1948. The insured persons losing jobs and their families would become entitled to receive medical care through ESI dispensaries, panel clinics and ESI Hospitals during this period.

(c): It is estimated that about 1.05 lakh insured persons would be eligible for unemployment allowance in the first year.

(d): Annual expenditure on the scheme as per actuarial analysis in the first year of implementation i.e. 2005-06 would be about Rs.115 crores, which may go up to Rs.280 crores by 2014-2015. The ESI Corporation has planned to meet the expenditure on this scheme out of its own resources without levying any additional contribution from employees, employers or funding by the Central or State Government.